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Administrative, financial and institutional matters
Programme budget for the biennium 2016–2017

Proposed programme budget for the biennium 2016–2017

Note by the Executive Secretary

Summary

This document contains the programme budget for the biennium 2016–2017 proposed by the Executive Secretary for consideration by the Subsidiary Body for Implementation at its forty-second session, adoption by the Conference of the Parties at its twenty-first session and endorsement by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eleventh session. It should be considered in conjunction with the three addenda to this document, which provide details on the work programme of the secretariat and the corresponding resource requirements, a list of activities to be funded from supplementary sources, and the budget of the international transaction log, respectively.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by decision 22/CP.20, requested the Executive Secretary to submit, for consideration by the Subsidiary Body for Implementation (SBI) at its forty-second session, a proposed programme budget for the biennium 2016–2017 and, should this prove necessary in the light of decisions taken by the United Nations General Assembly at its seventieth session, to prepare a contingency for funding conference services.

2. In the same decision, the COP requested SBI 42 to recommend a programme budget for adoption at COP 21 and the eleventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

B. Scope of the note

3. This document contains the proposed programme budget for the biennium 2016–2017. In addition to specifying the human and financial resources required to implement the work programme of the secretariat, this document outlines the overall approach of the Executive Secretary to framing the programme budget proposal and seeks to give Parties a comprehensive overview of all activities financed from different sources, including information on contingencies for conference services. The proposed work programme of the secretariat is presented in document FCCC/SBI/2015/3/Add.1, the activities for which supplementary funding is sought in document FCCC/SBI/2015/3/Add.2, and the resource requirements for the Trust Fund for the International Transaction Log in document FCCC/SBI/2015/3/Add.3. These documents are complemented by the clean development mechanism (CDM) management plan[1] and the joint implementation (JI) management plan.[2]

C. Possible action by the Subsidiary Body for Implementation

4. The SBI is expected:

(a) To recommend a programme budget and agree on a draft decision for adoption at COP 21 and CMP 11, including on possible contingency provisions for conference services;

(b) To recommend a budget for the international transaction log and agree on a draft decision for adoption at CMP 11.

5. In addition, the SBI is invited:

(a) To take note of the financing arrangements for the CDM and JI;

(b) To take note of the requirements for voluntary contributions to the Trust Fund for Supplementary Activities and the Trust Fund for Participation in the UNFCCC Process.

[1] Available at <http://cdm.unfccc.int/EB/index.html>.
[2] Available at <http://ji.unfccc.int/Ref/Docs.html>.

II. Approach of the Executive Secretary to framing the programme budget proposal

A. Goals for the biennium 2016–2017

6. In presenting this programme budget for consideration by Parties, the Executive Secretary has been guided by the following three goals:

(a) Continuing to deliver on the increasingly ambitious implementation agenda set by Parties;

(b) Recognizing the growing importance of adaptation under the Convention and as a long-term budgetary reality;

(c) Making the secretariat fit for the future by strengthening essential functions that have been neglected in the past.

B. The budgetary implications of a new, universal agreement will need to be considered upon its adoption

7. The secretariat regularly informs the bodies established under the Convention and its Kyoto Protocol of the budgetary implications of decisions and conclusions being considered for adoption. However, it cannot predict the final outcome of Parties' deliberations, in particular when it comes to highly complex decisions, such as those on a new, universal agreement planned for adoption at the United Nations Climate Change Conference to be held in December 2015 in Paris, France. This budget proposal therefore does not include any additional resources that may be required by the secretariat for the implementation of the planned agreement and other decisions that may be adopted at the Paris Conference.

8. This budget proposal assumes that a meaningful outcome of the Paris Conference will consist of decisions that will not replace existing mandates, but will build on some of them while establishing new ones. A new budget proposal may need to be considered in 2016 to ensure that additional resource requirements resulting from the Paris Conference are appropriately covered. The proposal would be recommended for consideration at SBI 44 in order to accommodate any significant additional requests made to the secretariat.

III. Structure of the proposed programme budget

9. The work of the secretariat in support of the implementation of the Convention and its Kyoto Protocol is funded from six trust funds:

(a) The Trust Fund for the Core Budget of the UNFCCC;

(b) The Trust Fund for Participation in the UNFCCC Process, which funds the travel of delegates from eligible Parties to participate in sessions;

(c) The Trust Fund for Supplementary Activities, which finances mandated activities not funded by the core budget;

(d) The Trust Fund for the Special Annual Contribution from the Government of Germany (the Bonn Fund), which is used to finance the logistical and support arrangements for events taking place in Germany, including workshops and sessions of the subsidiary bodies;

(e) The Trust Fund for the Clean Development Mechanism, which finances the activities of the CDM from fees and shares of proceeds;

(f) The Trust Fund for the International Transaction Log, which finances the activities of the international transaction log from fees paid by user Parties only.

10. The core budget is approved by decisions of the COP and the CMP and is funded through indicative contributions from all Parties. The level of income and expenditure under the other five trust funds is determined by the amount of voluntary contributions and/or the amount of fees received. A summary of the proposed or estimated resources for all trust funds is provided in the annex to document FCCC/SBI/2015/3/Add.1.

11. The ratio of contributions towards core budget requirements under the Kyoto Protocol and under the Convention is presented in chapter VII below.

12. The Executive Secretary has maintained that essential activities should be funded from the core budget. However, in order to limit increases in the core budget, it is necessary, and traditional, that some activities be funded in part from voluntary contributions wherever expected income is predictable and sufficient to sustain such activities. For example, on the basis of decision 12/CP.11, three meetings each of the Adaptation Committee, the Technology Executive Committee, the Standing Committee on Finance, the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE),[3] the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts and the Least Developed Countries Expert Group (LEG) will be funded from the core budget in the biennium 2016–2017, while voluntary contributions will finance any additional meetings. With regard to the Compliance Committee, four plenary meetings and nine branch meetings are planned for the next biennium. Half of those meetings will be funded from the core budget, while voluntary contributions to the Trust Fund for Supplementary Activities will be sought to finance the remaining meetings. Although voluntary contributions for projects play an important role in service delivery, it must be noted that they do not provide sufficient guarantee of the effective delivery of results. Activities funded through voluntary contributions will only be undertaken should sufficient funding be received from Parties.

13. In accordance with the principle set out in the financial procedures (decision 15/CP.1) that the core budget shall not subsidize activities funded from supplementary sources,[4] the costs of support services, which include per capita costs for information services such as data communication, equipment and software, and secretariat-wide costs for telephone and fax communication, training and common premises, have been budgeted, to the extent possible, under the respective source of funding. In this budget proposal, therefore, support services have been factored into the requirements for supplementary funds for the respective activity.

IV. Additional requirements

14. This chapter provides information on resource requirements in the biennium 2016–2017 for which provisions were not made in the approved budget for the biennium 2014–2015. Some requirements will increase in the upcoming biennium, including those for supporting the evolving regime for measurement, reporting and verification (MRV). Other requirements are currently being met through voluntary contributions from a small number

[3] Pending the decision of the COP to extend the mandate of the CGE.

[4] Decision 15/CP.1, annex I, paragraph 17.

of Parties. Finally, there are areas of secretariat work that have been neglected for a long time owing to the prioritization of substantive matters. Areas that were neglected include work in support of the participation of observers in the intergovernmental process as well as necessary investments in the modernization of the secretariat's ageing infrastructure for information, communication and knowledge management. The secretariat is 20 years old now and needs to invest more in the systems and processes needed by a mature institution.

A. Measurement, reporting and verification: a follow-up from the 2014–2015 budget decision

15. The MRV regime established by the Cancun Agreements[5] significantly enhances the transparency of action to implement the Convention. It includes detailed provisions on data on greenhouse gas emissions, mitigation action and finance, technology and capacity-building needs and support. The regime entered a crucial phase in the biennium 2014–2015 with the mandated submission and review of the first set of biennial reports from developed country Parties and the mandated submission and technical analysis of the first set of biennial update reports from developing country Parties. A total of 15 new posts were approved in the context of the UNFCCC core budget for the biennium 2014–2015 with a view to covering the resource needs of the MRV regime. Thanks to the enhanced resources available in 2014, the first round of multilateral assessments for developed country Parties was successfully conducted during COP 20. The financial resources associated with the 15 new posts were used for staggered recruitment to respond to the growing workload during the biennium. Five posts were budgeted for 21 months of the 24 month period, and the remaining posts were budgeted for 18, 15 or 12 months. All posts were, or are about to be, filled in the 2014–2015 period and will need to remain filled throughout the 2016–2017 biennium. A budgetary provision to cover the full costs of the previously approved posts is therefore included in this budget.

B. Adaptation

16. Additional core resources are required in the secretariat's Adaptation programme for work in support of:

(a) The Warsaw International Mechanism and its Executive Committee;

(b) National adaptation plans and policy;

(c) The Adaptation Committee.

17. Since the establishment of the Warsaw International Mechanism and its Executive Committee in 2013, the scope and complexity of related support activities have grown rapidly. Currently, the work on loss and damage is a crucial and politically complex item on the agendas of the COP and its subsidiary bodies. An increased level of technical expertise and understanding on linkages among a wide range of issues is needed to effectively support the work on this issue, which includes navigating the complex positions of the different constituencies engaged in the discourse and effectively supporting the underlying technical efforts towards comprehensive climate risk management. Negotiations on loss and damage, which started in earnest at COP 16, have been progressively intensifying, and the rise in complexity of support of this item is expected to continue in the future. Moreover, the implementation of the initial two-year workplan of the Executive

[5] Decision 1/CP.16.

Committee significantly increases the level of substantive support to be provided by the secretariat to deliver the technically challenging portfolio of activities.

18. The scope of work on adaptation planning and policies has also grown rapidly with the establishment of the process to formulate and implement national adaptation plans (NAPs). The Adaptation programme supports the work of the LEG, whose work has expanded in scope and volume over the years. The LEG continues to support the least developed countries (LDCs) on national adaptation programmes of action, including on their implementation. As of 2010, the LEG was further mandated to provide guidance and support to the LDCs on NAPs, including on developing technical guidelines for NAPs. The technical guidelines developed by the LEG for LDCs are also being applied in non-LDC developing countries.

19. The volume of work has increased rapidly to support LDC readiness to formulate NAPs and to access funding. From 2015 onward, with the formulation of a sufficient number of NAPs, these efforts will become increasingly technical and strategic, covering all the elements of adaptation planning in addition to supporting increasingly complex negotiations on the NAP process.

20. The Adaptation programme also supports the Adaptation Committee and its task force on NAPs in relation to the evolution of work on the NAP process in developing countries. The Adaptation Committee enjoys growing recognition by Parties and observers as the principal UNFCCC body for authoritative advice and guidance on adaptation, as an interface between the intergovernmental process on the one side and expertise and action outside the Convention on the other, and as a catalyst of coherence in the implementation of adaptation. Therefore, the Adaptation Committee requires adequate support, particularly in the light of the advancing implementation of its work programme and the increasing size and complexity of its deliverables. The workload of the secretariat in support of the Adaptation Committee increased drastically in 2013 and 2014 as it has become common practice for the Committee to request more than 15 substantive background documents to be prepared for each of its meetings. The secretariat makes arrangements for at least two annual meetings of the Committee, and organizes workshops and expert meetings intersessionally and back to back with the regular meetings of the Committee. This involves significant substantive and logistical preparations and resources.

C. Stakeholder engagement

21. Observer engagement is a crucial and integral part of the UNFCCC process. It gives organizations with limited speaking rights in the formal negotiations a voice and allows Parties to benefit from the views, findings and expertise offered by observer organizations. Side events and exhibits are the main platform for the interaction between observers and Parties; they are in such high demand that the number of applications per year has soared in recent years.

22. While this increase in the number of applications is a welcome development, it demands additional support from the secretariat. SBI 40 recognized that side events and exhibits are an essential part of the UNFCCC process and an important tool for engaging observers in knowledge-sharing, networking and the exploring of actionable options for meeting the climate challenge. Parties recognized the need for financial support of the important work related to these activities, expressed concern about the cost recovery proposal made by the Executive Secretary at SBI 40, and requested the cost to be reflected in the core budget.

D. Communication and outreach

23. An important role of the secretariat is providing authoritative, relevant and timely information regarding the UNFCCC process to Parties, observer organizations, the public and non-state actors. In the biennium 2016–2017 the secretariat will need to enhance this role to inform all stakeholder groups about action on climate change and the UNFCCC process until and beyond 2020. It will need to strengthen its capacity to support new online systems for monitoring climate action and will need to provide easier access to targeted, specific information through improved visualization of data and information. Broader content that directly impacts, encourages and catalyses action and implementation of existing agreements while raising pre-2020 ambition will need to be provided on the UNFCCC websites for outreach.

E. Information and communication technology

24. The amount and criticality of systems requested by Parties to support the intergovernmental process and implementation of the Convention has risen exponentially over the past few years and is expected to rise again after the Paris Conference. Timely and effective delivery and operation of these systems requires dependable high-performing information and communication technology (ICT) services.

25. In line with the goal to allow the secretariat to respond to Parties' expectations the secretariat is committed to putting its ICT support arrangements on a more sustainable path. This will be done through a more strategic approach to ICT delivery and a number of system overhauls in the areas of communications, collaboration and information security. To put ICT on a more sustainable footing, ICT financing will be progressively realigned in accordance with United Nations principles.

26. In addition the secretariat will bring the delivery of ICT services in the organization in line with best practices, in particular in terms of developing staff skills required to effectively meet the requirements for mandated work and the sourcing of ICT services. With regard to the latter, the secretariat will implement a sourcing model that will be more flexible and cost-effective.

F. Knowledge management

27. Knowledge management in support of the intergovernmental process is an asset that is essential for the success of negotiations, expert meetings and other activities undertaken by Parties and other stakeholders under the Convention and its Kyoto Protocol. The knowledge built up over the years is distributed throughout the secretariat and external stakeholders. Without effective management, however, this knowledge cannot be shared with Parties as and when requested and there is a risk that it could get ineffective and partially lost.

28. With a constant budgetary focus on meeting the immediate needs of the intergovernmental process and implementing specific mandates, the secretariat has not been in a position to sufficiently modernize its knowledge and collaboration architecture and to make good use of twenty-first century technology and knowledge management approaches. Strengthening the secretariat's collaborative work practices and enhancing internal and external knowledge-sharing has become urgent as the amount of information generated and shared with Parties continues to increase.

V. Absorbing higher workloads within tightening budgets

29. The secretariat's core budgets for the biennia 2012–2013 and 2014–2015 each included an extraordinary efficiency dividend of 3 per cent. During this period the secretariat enhanced its efforts to reduce costs and improve the efficiency of its operations. The efforts were challenging but the secretariat fully implemented its biennial work programmes with reduced budgets. At the same time, the workload of the secretariat has continued to increase in line with the exponentially increasing implementation agenda adopted in the intergovernmental process. This increase was not fully reflected in recent biennial budgets and a significant part had to be absorbed with the existing resources.

30. In the biennium 2016–2017, the workload of all secretariat programmes is anticipated to significantly increase while the proposed budget only includes provisions for a targeted strengthening in a few areas of work. In all other areas, the increasing workload under existing mandates is expected to be absorbed with the existing resources in the absence of an additional efficiency dividend.

VI. Proposed programme budget

A. Measurement, reporting and verification: full costing of approved posts

31. The approved budget for the biennium 2014–2015 included provisions for 15 new posts for supporting the MRV regime. As the approved budget covered only between 12 and 21 months of salaries, the budget for the biennium 2016–2017 requires that these posts be fully costed; the corresponding amount is EUR 0.86 million.

B. Adaptation

32. In the light of the growing work programme relating to adaptation and loss and damage, it is proposed to strengthen support for adaptation by establishing three core posts in the Adaptation programme, including one post of a Manager at the P-5 level to manage support for the Warsaw International Mechanism and its Executive Committee as well as for the Nairobi work programme on impacts, vulnerability and adaptation to climate change, one P-4 post to support the NAP process and one General Service post to enhance the support to the Adaptation Committee.

33. In order to deliver the expected results agreed by the Executive Committee for the implementation of its initial workplan, an additional skill set, at a higher level and with strong technical grounding in risk management, is required to provide strong leadership and strategic thinking. A manager at the P-5 level will provide guidance in line with the standard level of support for constituted bodies in the secretariat. The manager will also oversee the work under the Nairobi work programme, which is in the process of optimizing its knowledge support architecture to adapt to the evolving adaptation regime catalysed by the Cancun Adaptation Framework.

34. The volume of work has increased rapidly in order to support LDCs in building readiness for the NAP process and accessing funding. From 2015 onward, with the formulation of a sufficient number of NAPs, these efforts will become increasingly technical and strategic, covering all the elements of adaptation planning in addition to supporting increasingly complex negotiations on NAPs. In this context, support to the work of the LEG and the provision of support to all developing countries is best managed by a P-4 team leader.

35. The Adaptation Committee meets (at least) twice a year, in accordance with decision 2/CP.17. In addition, there is a number of workshops and expert meetings planned intersessionally and back to back with the regular meetings of the Adaptation Committee. This involves significant substantive and logistical preparations. The General Service staff in the proposed new posts will provide support to the programme officers and chairs by preparing documentation for meetings and/or sessions.

36. In addition, non-staff-related funds out of the core budget are required for three meetings of the Executive Committee per biennium, in line with the general budgetary practice on constituted bodies established under the Convention. This will require an increase in financial resources amounting to EUR 0.18 million.

C. Stakeholder engagement

37. It is proposed to enhance the secretariat's capacity to implement side events and exhibits at all sessions, to implement various modes of observer engagement during and between UNFCCC sessions and to facilitate the admission of new observers. More specifically, the Observer Organization Liaison unit in the Conference Affairs Services programme would be strengthened through the establishment of the post of Associate Observer Organizations Liaison Officer at the P-2 level and one General Service post (Liaison Assistant).

38. The functions of the Associate Observer Organizations Liaison Officer would include promoting virtual participation of stakeholders, assessing the eligibility of applicants for admission as observers, coordinating in-session activities such as side events, exhibits and media stunts and enhancing web communication on the modes of observer engagement.

39. The functions of the Liaison Assistant would include assisting in the coordination of side events and exhibits, assisting in the management of the Climate Change Studio at conferences and providing secretarial and administrative support to the unit.

D. Information and communication technology

40. In the past, the focus of ICT budgeting has been on the delivery of mandated activities. This lead to the neglect of core functions, resulting in insufficient management oversight. One of the core functions that has become a priority is the capability to address the growing risk of information technology (IT) security threats. The further safeguarding of UNFCCC systems, networks and communication is therefore proposed to strengthen the secretariat's position with regard to IT security challenges by establishing the Information Systems Officer (Security) post at the P-4 level located in the IT Management and Monitoring sub-programme of the Information Technology Services programme. The function would be designed to strengthen the effective implementation of risk management in the Information Technology Services programme and would play a key role in the implementation of an IT security structure across the secretariat, ensuring more consistent and reliable standards and practices relating to IT security and information technologies and processes based on best practices.

41. As the secretariat has had to expand its ability to deliver systems and solutions by outsourcing services more efficiently, an ICT management position at the P-4 level is proposed to be established. It would be located in the office of Management and Coordination of the Information Technology Services programme. The establishment of this post would strengthen the governance and implementation of ICT sourcing management in line with the new sourcing strategy for ICT requirements within the

secretariat, ensuring a more consistent, cost-effective and reliable delivery of services through varied sourcing approaches.

42. In addition, non-staff-related funds are required for the overhaul and implementation of systems in the areas of communications, collaboration and security. The expanding use of collaboration platforms for workflows and communications within the secretariat as well as those involving external stakeholders needs continued attention, as does the security posture of all the business-critical and communication systems. Additional resources amounting to a total of EUR 0.50 million for the biennium would be required to partially cover the costs of this work.

E. Communication and outreach

43. The quantity and quality of online communication has drastically increased in the past two years, with a positive and measurable impact on public and stakeholder perception of the value of the bodies, tools and mechanisms under the Convention. Work in this area will play a crucial role in both consolidating and advancing the objectives of the Convention in the regime in place after the Paris Conference. Therefore, it is proposed to establish a Digital Communications Officer/Web Manager post at the P-3 level in the Communications and Outreach programme to fill a professional skills gap related to cross-programme work on creating digital strategies and tools in order to ensure the transparency of climate action and provide easy access to data and information. The continued work on a better design of information systems for nationally appropriate mitigation actions, intended nationally determined contributions and NAPs will without question require an increasingly dedicated web response that is not covered by standard communications or IT skill sets. This function would manage web projects throughout the secretariat with oversight of analysis, development and support services, and it would be responsible for planning, executing and monitoring projects to ensure consistency and coherence in the secretariat's web activities while modernizing with twenty-first century technologies and platforms that exploit, and benefit from, the huge surge in digital and web-based communication.

44. In addition, non-staff-related funds are required for web system enhancements to respond to the new communication challenges and opportunities resulting from a greater variety of stakeholders, changing demographics and a greater diversity and size of audiences. This would require an increase in financial resources amounting to EUR 0.25 million.

F. Knowledge management

45. It is proposed to establish the post of Information Governance Officer at the P-3 level in the Communications and Outreach programme to providing knowledge management related support. The function would include the development and maintenance of a framework for information and data generated by both internal sources and UNFCCC stakeholders, as well as the development and updating of appropriate policies and standards for data quality, taxonomy, metadata, records management, information risk and compliance. The Information Governance Officer will play a key role in the secretariat-wide efforts to ensure the continued availability and maintenance of data and information and to enhance the user friendliness of web-facing systems, including the UNFCCC website and extranet-based reporting sites. The officer would lead work on ensuring that website and extranet content can be easily retrieved, analyzed, and reorganized and would contribute to the development and implementation of strategies for the UNFCCC website, extranet sites and tools, and the internal information architecture.

G. Secretariat-wide staffing funded from the core budget

46. Table 1 presents the 2016 and 2017 posts by grade. The establishment of the new posts outlined in paragraphs 32–45 above would result in a net increase of nine posts compared with 2015.

Table 1
Secretariat-wide staffing funded from the core budget

	2015	*2016*	*2017*
Professional category and above[a]			
ASG	1	1	1
D-2	3	3	3
D-1	7	7	7
P-5	15	16	16
P-4	35	38	38
P-3	43	45	45
P-2	16	17	17
Subtotal Professional category and above	**120**	**127**	**127**
Subtotal General Service category	**53.5**	**55.5**	**55.5**
Total	**173.5**	**182.5**	**182.5**

[a] Assistant Secretary-General (ASG), Director (D) and Professional (P).

H. Proposed core budget by object of expenditure

47. Details of the proposed 2016–2017 core budget by object of expenditure are shown in table 2.

Table 2
Proposed core budget by object of expenditure

Object of expenditure	*2014–2015 (EUR)*	*2016–2017 (EUR)*	*Variance (%)*
Staff costs	37 007 566	40 535 620	9.5
Consultants	2 003 718	1 697 786	–15.3
Travel of staff	1 489 500	1 436 256	–3.6
Experts and expert groups	2 140 874	2 827 118	32.1
General operating expenses	3 921 475	3 523 317	–10.2
Supplies and materials	367 578	367 520	0.0
Acquisition of furniture and equipment	542 153	772 404	42.5
Training	305 058	392 222	28.6
Contributions to common services	1 188 767	1 195 840	0.6
Grants and contributions (IPCC)[a]	489 510	489 510	0.0
Total core programme budget	**49 456 199**	**53 237 593**	**7.6**
Less: extraordinary efficiency dividend	1 355 094	-	–100.0
Revised programme expenditures	**48 101 105**	**53 237 593**	**10.7**

Object of expenditure	*2014–2015 (EUR)*	*2016–2017 (EUR)*	*Variance (%)*
Programme support costs	6 253 148	6 920 887	10.7
Adjustment to working capital reserve[b]	294 231	189 376	–35.6
Grand total	**54 648 484**	**60 347 856**	**10.43**

[a] Intergovernmental Panel on Climate Change.

[b] In accordance with the financial procedures (decision 15/CP.1, annex I, para. 14), the working capital reserve will increase to EUR 2,501,068 by 2017.

48. The principal component of the core budget is staff costs. For the 2016–2017 biennium, staff costs represent approximately 76 per cent of the proposed total core programme budget. Other major components include general operating expenses (7 per cent) and experts and expert groups (5 per cent).

49. The 2016–2017 budget proposal reflects a 10.4 per cent increase compared with 2014–2015. The overall increase is due primarily to the following: (a) covering the MRV-related requirements for the full biennium and not just for a part of it, as is the case in the current biennium; (b) adjustments in the standard costs of staff on the basis of actual costs;[6] and (c) the targeted strengthening of specific functions.

50. For the 2016–2017 biennium, total staff costs are proposed to increase by 9.5 per cent compared with 2014–2015. The increase in staff costs of EUR 3.5 million is attributable to the following: (a) full funding of all MRV-related posts established under the approved budget for 2014–2015; (b) adjustments in the standard costs of staff; and (c) the proposed establishment of nine new posts.

51. The budget proposal for non-staff costs amounts to EUR 12.7 million in the 2016–2017 biennium – an overall increase of approximately EUR 0.63 million compared with the current biennium. The rise reflects the increased requirements for experts under the MRV regime and costs related to the work of the Executive Committee of the Warsaw International Mechanism. The total of all other non-staff costs is slightly lower.

I. Proposed core budget by programme

52. Table 3 summarizes the proposed core budget by programme for 2016 and 2017 and the expected sources of income.

Table 3
Proposed core budget for 2016–2017 by programme

	2016 (EUR)	*2017 (EUR)*	*Total (EUR)*
A. Programme appropriations			
Executive Direction and Management	2 250 862	2 210 862	4 461 724
Mitigation, Data and Analysis	8 008 034	8 008 034	16 016 068
Finance, Technology and Capacity-Building	2 787 260	2 745 127	5 532 387
Adaptation	2 842 252	2 678 792	5 521 044
Sustainable Development Mechanisms	551 290	551 290	1 102 580
Legal Affairs	1 324 825	1 324 825	2 649 650
Conference Affairs Services	1 846 477	1 863 452	3 709 929
Communications and Outreach	1 935 697	1 935 697	3 871 394

[6] See table 9.

	2016 (EUR)	2017 (EUR)	Total (EUR)
Information Technology Services	3 457 590	3 348 551	6 806 141
Administrative Services[a]			
B. Secretariat-wide operating costs[b]	1 569 838	1 996 838	3 566 676
Programme expenditures (A + B)	**26 574 125**	**26 663 468**	**53 237 593**
C. Programme support costs (overheads)[c]	3 454 636	3 466 251	6 920 887
D. Adjustment to working capital reserve[d]	180 996	8 380	189 376
Total (A + B + C + D)	**30 209 757**	**30 138 099**	**60 347 856**
Income			
Contribution from the Host Government	766 938	766 938	1 533 876
Indicative contributions	**29 442 819**	**29 371 161**	**58 813 980**
Total income	**30 209 757**	**30 138 099**	**60 347 856**

[a] Funded from programme support costs (overheads).
[b] Secretariat-wide operating costs are managed by the Administrative Services programme.
[c] Standard 13 per cent applied for administrative support. See chapter XI below.
[d] In accordance with the financial procedures (decision 15/CP.1), the core budget is required to maintain a working capital reserve of 8.3 per cent (one month of operating requirements).

VII. Ratio of contributions towards core budget requirements under the Kyoto Protocol and under the Convention

53. The fact that not all Parties to the Convention are also Parties to the Kyoto Protocol necessitates some differentiation in the contribution regime. With regard to the ratio of contributions towards core budget requirements under the Kyoto Protocol and under the Convention, the ratio in 2016–2017 will be kept at 71.2 per cent for the Convention and at 28.8 per cent for the Kyoto Protocol as approved in decisions 27/CP.19 and 10/CMP.9, respectively.

VIII. Trust Fund for Supplementary Activities

54. Preliminary indications of resource requirements for supplementary activities in the biennium 2016–2017 are provided in document FCCC/SBI/2015/3/Add.2. The information provided therein should enable Parties to identify the resources required to fund extrabudgetary activities for the biennium. It is expected that the outcome of the deliberations on the programme budget, as well as of other deliberations at the sessions of the bodies established under the Convention and its Kyoto Protocol in 2015 and 2016, will affect the requirements for resources from the Trust Fund for Supplementary Activities in the biennium 2016–2017.

IX. Trust Fund for Participation in the UNFCCC Process

55. The Trust Fund for Participation in the UNFCCC Process is funded from voluntary contributions. Table 4 provides the estimated requirements for resources from this fund for the biennium 2016–2017 for a range of sessional options. The overall level of resource requirements is dependent on the number, length and location of sessions and pre-sessional and preparatory meetings, as well as on the number of delegates from each eligible Party who are supported to ensure as wide a representation as possible.

Table 4
Resource requirements for the Trust Fund for Participation in the UNFCCC Process

Number of delegates	*Estimated cost (EUR)*
Support for one delegate from each eligible Party to participate in a one-week session organized in Bonn, Germany[a]	615 000
Support for one delegate from each eligible Party to participate in a two-week session organized in Bonn[a]	960 000
Support for one delegate from each eligible Party plus a second delegate from each least developed country and each small island developing State to participate in a two-week session organized in Bonn[a]	1 485 000
Support for two delegates from each eligible Party to participate in a two-week session organized in Paris, France[a]	2 350 000
Support for two delegates from each eligible Party plus a delegate from each least developed country and each small island developing State to participate in a two-week session organized in Paris[a]	3 000 000

[a] Locations provided as examples.

X. Bonn Fund

56. The Host Government makes an annual contribution of EUR 1,789,522 to the Trust Fund for the Special Annual Contribution from the Government of Germany (otherwise known as the Bonn Fund). The Bonn Fund was established to finance events held in Germany. Expenditures are determined every year through a bilateral arrangement between the Government of Germany and the secretariat.

57. The activities to be funded and the associated costs are presented in table 5 for information purposes only.

Table 5
Bonn Fund

	2016–2017 (EUR)
Income	3 579 044
Expenditure	
Conference support for staff and facilities	2 803 816
Conference information support for staff, computers and networking	363 480
Programme support costs	411 748
Total expenditure	**3 579 044**

XI. Overhead charge and its use

58. In accordance with the financial procedures (decision 15/CP.1), the budget includes a 13 per cent provision to cover administrative overhead costs. As indicated in annex I to document FCCC/SBI/2015/3/Add.1, administrative services of the secretariat are funded from the overheads payable on all UNFCCC trust funds. Through its Administrative Services programme, the secretariat has taken full responsibility for the preparation of its operational budget and related allotments, the procurement of goods and services, the arrangements for the travel of staff and participants, and the recruitment and administration of staff and consultants. The programme provides key management support in terms of

programme planning, results-based budgeting and reporting on programme and budget performance. It is also responsible for all tasks related to the premises of the secretariat.

59. With the implementation of UMOJA, a new enterprise resource planning system, as of 1 November 2015 the secretariat will incur ongoing training and consulting expenses that will increase the resource requirements in 2016 funded from the overhead charge on all UNFCCC trust funds. This is reflected in table 7.

60. The greatest portion of the overhead funds is used for the services provided by the Administrative Services programme. The remainder covers the cost of internal and external audits, payroll, investment and treasury services, staff training and development, services related to the administration of justice and other United Nations support services that are not available in the secretariat, and contributes to covering the costs of sharing common services and premises with other United Nations organizations in Bonn.

61. The staffing and resource requirements shown in tables 6 and 7, respectively, are indicative only. The Executive Secretary will approve expenditures on the basis of actual income.

Table 6
Staffing requirements funded from the overhead charge on all UNFCCC trust funds

	2016	*2017*
Professional category and above[a]		
D-1	1	1
P-5	2	2
P-4	3	3
P-3	13	13
P-2	11	11
Subtotal Professional category and above	**30**	**30**
Subtotal General Service category	**62**	**62**
Total	**92**	**92**

[a] Director (D) and Professional (P).

Table 7
Proposed resource requirements funded from the overhead charge on all UNFCCC trust funds

	2016 (EUR)	*2017 (EUR)*
Staff costs	7 483 600	7 483 600
Non-staff costs	1 232 500	1 232 500
Total secretariat costs	**8 716 100**	**8 716 100**
Services rendered by the United Nations	1 300 000	800 000
Total	**10 016 100**	**9 516 100**

XII. Conference services contingency

62. To date, the costs of conference services (mainly interpretation at meetings, translation, reproduction and distribution of documents, and related services) for up to two sessions of the Convention bodies annually have been covered by the United Nations Office at Geneva or other United Nations offices and financed from the regular budget of the United Nations adopted by the General Assembly. As in previous years, a contingency provision has been made in the proposed budget to cover the cost of such services in the event that the General Assembly does not continue this practice.

63. The methodology used to calculate the costs of the conference services contingency is the same as that used in the 2014–2015 budget proposal. It is based on the assumption that the annual calendar of meetings of Convention bodies will include two sessional periods of two weeks each (with the sessions of the COP and the CMP hosted by a government taking place during one of them) and uses standard cost figures employed by the United Nations Office at Geneva for conference services. It is further envisaged that full conference services would be sought from the United Nations on a reimbursable basis so as to maintain the quality of translation and interpretation services. This means that no additional secretariat staff would be required. The contingency is also based on the assumption that the sessions of the COP, the CMP and the subsidiary bodies would be accommodated within the conference services portfolio of services prevailing in past years.

64. The contingency for conference services in the biennium 2016–2017 would amount to EUR 8.8 million for interpretation, documentation and meetings services support, making the total EUR 10.4 million. This includes programme support costs and the working capital reserve (see table 8).

65. The COP and the CMP rely on Parties to host the sessions of the COP and the CMP and any additional sessions of the Convention and Kyoto Protocol bodies that Parties may decide to hold. In the event that no Party offers to host a session of the COP and the CMP or an additional session, rule 3 of the draft rules of procedure[7] being applied foresees that the session would take place at the seat of the secretariat. To date, it has been customary for governments to host the sessions of the COP and the CMP and additional sessions of the subsidiary bodies, taking on the portion of costs that exceeds those covered from secretariat funds and those borne by the United Nations as outlined in paragraph 62 above. The secretariat suggests that contributions not be collected for a contingency that is unlikely to arise.

Table 8
Resource requirements for the conference services contingency

	2016 (EUR)	*2017 (EUR)*	*2016–2017 (EUR)*
Object of expenditure			
Interpretation[a]	1 258 100	1 295 900	2 554 000
Documentation[b]			
Translation	2 104 500	2 167 700	4 272 200
Reproduction and distribution	719 900	741 500	1 461 400
Meetings services support[c]	259 200	266 900	526 100
Subtotal	**4 341 700**	**4 472 000**	**8 813 700**

[7] FCCC/CP/1996/2.

	2016 (EUR)	*2017 (EUR)*	*2016–2017 (EUR)*
Programme support costs	564 400	581 400	1 145 800
Working capital reserve	407 200	12 200	419 400
Total	**5 313 300**	**5 065 600**	**10 378 900**

Note: Assumptions used for calculating the conference services contingency budget include the following:

- The expected number of meetings with interpretation does not exceed 40 per session;
- The expected documentation volume is based on the calculations provided by the United Nations Office at Geneva;
- Meetings services support includes staff normally provided by the United Nations Office at Geneva conference services for the in-session coordination and support of interpretation, translation and reproduction services;
- Overall, the figures used are conservative and have been applied on the assumption that there will be no major increase in requirements during the biennium.

[a] Includes salaries, travel and daily subsistence allowance for interpreters.

[b] Includes all costs related to the processing of pre-, in- and post-session documentation; translation costs include revision and typing of documents.

[c] Includes salaries, travel and daily subsistence allowance for meeting services support staff and costs of shipment and telecommunications.

Annex

Methodologies used to calculate costs

A. Staff costs

1. **Salary and common staff costs**: the standard costs applied in determining staff costs in the proposed budget are based on actual salary costs for January–December 2014. Staff costs include provisions for staff entitlements such as home leave, education grants and step increases.

Table 9
Standard salary costs

Level[a]	*2012–2013 (EUR)*	*2014–2015 (EUR)*	*2016–2017 (EUR)*
ASG	194 000	194 000	194 000
D-2	176 000	177 000	185 000
D-1	163 000	166 000	175 000
P-5	142 000	151 000	153 000
P-4	124 000	128 000	132 000
P-3	105 000	109 000	112 000
P-2	85 000	94 000	95 000
GS	63 000	63 000	63 000

Note: Only 98 per cent of the standard salary costs was used in the preparation of the 2016–2017 programme budget.

[a] Assistant Secretary-General (ASG), Director (D), Professional (P) and General Service (GS).

B. Non-staff costs

2. The costs for **consultants** include institutional and individual contracts for services that require specialized expertise not available in the secretariat. Costs are estimated on the basis of actual requirements and past expenditures for similar activities.

3. The costs for **experts and expert groups** encompass the costs of experts' travel, participation in meetings of constituted bodies and work on reviews. Costs are estimated on the basis of actual requirements and past expenditures.

4. **General operating expenses** include, inter alia, the costs of rental and maintenance of premises and equipment, communications, shipping and other contractual services required for meetings as well as the operation of the secretariat. Costs are estimated on the basis of actual requirements and historical data.